

REPORT BY THE
AUDITOR GENERAL
OF CALIFORNIA

**SOME CONTINUING EDUCATION COURSES
DO NOT MEET STATE REQUIREMENTS**

REPORT BY THE
OFFICE OF THE AUDITOR GENERAL
TO THE
JOINT LEGISLATIVE AUDIT COMMITTEE

P-439

SOME CONTINUING EDUCATION COURSES
DO NOT MEET STATE REQUIREMENTS

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Honorable Art Agnos, Chairman
Members, Joint Legislative
Audit Committee
State Capitol, Room 3151
Sacramento, California 95814

Dear Mr. Chairman and Members:

The Office of the Auditor General presents its report concerning the State's administration of continuing education requirements for licensed professionals. We found that the agencies which administer these requirements could improve their procedures for ensuring that licensed professionals complete continuing education courses that enhance their professional skills.

Respectfully submitted,


THOMAS W. HAYES
Auditor General

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SUMMARY

To help ensure that licensed professionals serve the public competently, the California Business and Professions Code and the California Administrative Code require many professionals to attend continuing education courses as a condition of licensure. These courses must enhance the professionals' knowledge or skills or relate directly to the delivery of professional services. We reviewed the continuing education programs of six state agencies that are responsible for licensing certain professionals. Although four of these agencies had accepted some inappropriate courses that licensees reported for continuing education credit, most of the courses we reviewed met the requirements of the State and of the respective agency. Moreover, all of the courses accepted by the Department of Real Estate related directly to licensees' providing real estate services to the public. However, we also found that the Board of Accountancy, the Board of Dental Examiners, the Board of Medical Quality Assurance, the Board of Pharmacy, and the Board of Registered Nursing need more comprehensive written procedures for reviewing and approving continuing education courses.

Although most continuing education courses accepted for credit by the Board of Accountancy, the Board of Dental Examiners, the Board of Pharmacy, and the Board of Registered Nursing relate directly to the professional development of licensees, each of these agencies has given some licensees credit for inappropriate courses. For example, the Board of Accountancy has treated staff meetings as continuing education courses even though the board's own policies do not allow staff activities to be claimed for credit. The Board of Dental Examiners accepted for credit a continuing education course entitled "Over-the-Counter Veterinary Medicine," which discussed the problems associated with giving nonprescription drugs to pets. This course does not comply with the Board of Dental Examiners' policy that continuing education courses relate directly to the practice of dentistry.

Further, the Board of Pharmacy accepted for continuing education credit a course entitled "Adventures in Attitudes," which teaches techniques for developing strong, positive attitudes. The California Business and Professions Code specifies that continuing education courses for pharmacists must pertain to aspects of health care, properties of drugs, or characteristics of diseases.

The Board of Accountancy, the Board of Dental Examiners, and the Board of Pharmacy have accepted inappropriate courses for credit because the agencies' staff members do not always adequately review the titles or content of courses before renewing professionals' licenses. The Board of Registered Nursing has accepted inappropriate courses for continuing education credit because this board does not review either the courses offered by providers or the courses reported by nurses for license renewal.

In addition, the Board of Accountancy, the Board of Pharmacy, and the Board of Registered Nursing do not require licensees to complete a specific number of their required continuing education hours in courses that will directly improve the licensees' technical skills. Thus, these agencies cannot ensure that their licensees always comply with the legislative intent of continuing education.

We could not review any courses taken for credit by physicians because the Board of Medical Quality Assurance does not obtain information on courses that physicians report for continuing education credit. Further, the board does not review continuing education courses before providers offer the courses.

Finally, we noted that licensed professionals spend a large sum of money to attend courses that will satisfy continuing education requirements. Licensees may deduct from their tax obligations some or all of the expenses associated with continuing education courses. Thus, when agencies accept inappropriate courses for continuing

education credit, the State, in effect, subsidizes licensed professionals who do not comply with state requirements and who take courses that do not improve their professional skills or service to the public.

INTRODUCTION

The California Business and Professions Code and the California Administrative Code require many of the professionals licensed by the State of California to complete a specified number of continuing education course hours before the professionals can renew their licenses.* The Legislature mandated continuing education for certain professionals so that these professionals will maintain and enhance their skills and knowledge and will continue to provide competent services to the public.

The Department of Real Estate and several boards within the Department of Consumer Affairs are the agencies responsible for licensing certain professionals and for establishing and enforcing continuing education requirements. The Department of Real Estate licenses and regulates the continuing education of real estate salespersons and brokers. The boards within the Department of Consumer Affairs regulate the continuing education of public accountants, dentists, physicians and surgeons, podiatrists, hearing aid dispensers, registered nurses, vocational nurses, nursing home administrators, and pharmacists.

*In this report, the term "course hours" refers to the agencies' standards for measuring the amount of work that licensees complete for continuing education credit.

We examined the continuing education requirements for accountants, dentists, physicians and surgeons, registered nurses, pharmacists, and real estate salespersons and brokers. The table below summarizes some of the continuing education requirements for these professions.

TABLE 1
CONTINUING EDUCATION INFORMATION FOR
AGENCIES IN OUR REVIEW

| <u>Agency</u> | <u>Number of Licensed Professionals Requiring Continuing Education</u> | <u>Continuing Education Requirement</u> | <u>License Renewal Period</u> |
|------------------------------------|--|---|-------------------------------|
| Board of Accountancy | 23,863 | 80 hours in 2 years | 2 years |
| Board of Dental Examiners | 21,183 | 50 hours in 2 years | 2 years |
| Board of Medical Quality Assurance | 84,886 | 100 hours in 4 years | 2 years |
| Board of Pharmacy | 17,556 | 30 hours in 2 years | 2 years |
| Board of Registered Nursing | 171,411 | 30 hours in 2 years | 2 years |
| Department of Real Estate | 235,669 | 45 hours in 4 years | 4 years |

Each agency's procedures for ensuring that licensees receive credit only for appropriate courses differ. For example, the Department of Real Estate approves all continuing education courses before licensees take the courses. The Board of Pharmacy and the Board of Dental Examiners review some courses before licensees may attend the courses. The Board of Accountancy relies upon its licensees to take

courses that meet the board's guidelines; the board reviews the titles of courses that a licensee reports for continuing education credit before renewing the individual's license. The Board of Medical Quality Assurance and the Board of Registered Nursing do not review courses at all.

Further, each agency has different requirements for licensees' reporting continuing education courses on license renewal forms. The Department of Real Estate, the Board of Accountancy, and the Board of Registered Nursing require licensees to submit the titles and the names of providers for courses that the licensees have completed. The Board of Dental Examiners, the Board of Medical Quality Assurance, and the Board of Pharmacy require the licensee only to certify, under penalty of perjury, that the licensee has met continuing education requirements. We provide further descriptions of each agency's continuing education requirements and procedures in Appendix A.

SCOPE AND METHODOLOGY

We reviewed continuing education programs administered by the Department of Real Estate and the following five boards within the Department of Consumer Affairs: the Board of Accountancy, the Board of Dental Examiners, the Board of Medical Quality Assurance, the Board of Pharmacy, and the Board of Registered Nursing. Although there are additional agencies at the Department of Consumer Affairs that require licensees to obtain continuing education credit as a condition of

licensure, we limited our review to the agencies listed above. Of the agencies at the Department of Consumer Affairs, the five boards that we reviewed have the largest number of licensed professionals or require the greatest number of continuing education hours.

In order to evaluate continuing education programs, we identified the State's and the agencies' continuing education requirements, interviewed agency officials, and documented each agency's procedures for administering continuing education programs. Additionally, we examined providers' and agencies' records of courses that are available to licensees for continuing education credit. In some cases, we contacted course providers for additional information. We used provisions of the California Business and Professions Code and the California Administrative Code as criteria for evaluating courses; these provisions specify both the intent of continuing education for licensed professionals and appropriate course content.

Our audit procedures varied for each agency because the six agencies we reviewed administer their continuing education programs differently and because five of the agencies do not maintain lists of all courses available to licensees for credit. At the Department of Real Estate, we reviewed all of the course titles for courses approved by the department, and we examined a sample of course files. The Board of Dental Examiners and the Board of Pharmacy have procedures for classifying courses into two separate groups; the Board of Dental Examiners categorizes continuing education courses by type of provider,

and the Board of Pharmacy categorizes continuing education courses by the type of review it will give the course. At each of the two agencies, we reviewed all of the course titles and a sample of course material in one group. We also examined the course materials for a sample of courses in the second group. At the Board of Accountancy and the Board of Registered Nursing, we selected samples of license renewal forms to review course titles and the number of licensees required to take continuing education courses. Table 2 on the following page presents information on the courses and providers we evaluated for five of the six agencies in our review.

TABLE 2

SCOPE OF THE AUDITOR GENERAL'S REVIEW
OF CONTINUING EDUCATION PROGRAMS

| Agency | Complete List of Courses Available | Number of Course Titles Reviewed | Number of Courses Reviewed*** | Total Number of Courses Offered | Number of Reviewed License Renewal Forms | Number of Providers' ¹ Records Reviewed | Total Number of Providers | License Renewal Period Reviewed |
|--------------------------------|--|--|-------------------------------------|---------------------------------------|--|---|---------------------------------|------------------------------------|
| Department of Real Estate | Yes | 788 | 63 | 788 | 0 | 51 | 287 | 1/80 to 6/84 |
| Board of Accountancy | No | 2,946 | 2 | Unknown* | 283 | 0 | Unknown* | 1/82 to 6/84 |
| Board of Dental Examiners | | | | | | | | |
| Registering Providers | No | 823 | 823 | Unknown* | 0 | 97 | 189 | 6/82 to 6/84 |
| Nonregistering Providers | Yes | 1,684 | 275 | 1,684 | 0 | 101 | 664 | 6/82 to 6/84 |
| Board of Pharmacy | | | | | | | | |
| Accredited Courses | Yes | 798 | 33 | 798 | 0 | 23 | 414** | 1/80 to 6/84 |
| Nonaccredited Courses | No | 318 | 11 | Unknown* | 0 | 26 | | 1/80 to 6/84 |
| Board of Registered Nursing | No | 7,367 | 46 | Unknown* | 1,738 | Unknown* | 3,794 | 8/82 to 8/84 |

*The agency does not collect this information.

**This figure represents the total number of providers of accredited and nonaccredited courses.

***In addition to a review of course titles, we reviewed available course material for these courses.

We selected the Board of Medical Quality Assurance as one of the six agencies in our review; however, we were unable to review the titles and content of courses taken by physicians because this board does not keep records of continuing education courses. Because the board accepts programs and courses that qualify for credit from three private medical associations, we interviewed officials at the Board of Medical Quality Assurance and at two of the private medical associations to obtain the associations' procedures for approving continuing education courses and providers. In addition, we examined the board's annual random audit of licensees so that we could evaluate its efforts to verify that physicians complete continuing education courses.

We interviewed officials at the Franchise Tax Board to determine if licensed professionals may deduct from their tax obligations the expenses associated with continuing education. Finally, we discussed our analysis with these officials and considered their comments.

AUDIT RESULTS

THE STATE COULD IMPROVE ITS ADMINISTRATION OF CONTINUING EDUCATION FOR LICENSED PROFESSIONALS

According to the Business and Professions Code and the California Administrative Code, continuing education programs should maintain or improve the skills and knowledge of licensed professionals so that these professionals can provide competent services to the public. During our review, we found that all courses offered and accepted for continuing education credit by the Department of Real Estate relate directly to the real estate profession. In addition, most of the courses offered and accepted for continuing education credit by the Board of Accountancy, the Board of Dental Examiners, the Board of Medical Quality Assurance, the Board of Pharmacy, and the Board of Registered Nursing pertain directly to the professional development of licensees. However, four of these agencies accepted for credit some courses that did not relate to the development of the professional skills of licensees. We found that the four agencies accepted inappropriate courses because the agencies do not have comprehensive written procedures for reviewing courses. We could not review the courses accepted for continuing education credit by the fifth agency, the Board of Medical Quality Assurance, because this agency does not obtain information on courses offered to physicians. Additionally, three of the five agencies do not include in their regulations a requirement that licensees take courses that relate

directly to the licensees' technical or professional skills. Licensees may take courses for credit that do not directly enhance their professional competence; therefore, licensees do not always comply with the legislative intent for continuing education.

Some Agencies Do Not
Review Courses Sufficiently

Each of the agencies in our review requires licensees to comply with the agency's continuing education requirements as a condition of license renewal. We found that all of the courses accepted by the Department of Real Estate related directly to licensees' providing real estate services to the public. Although most of the courses accepted for credit by four of the other agencies met the State's and the agencies' continuing education requirements, these agencies accepted for credit some courses that did not pertain to the profession or to the development of professional skills. We found that licensees sometimes receive credit for such courses because the agencies do not have comprehensive written procedures for reviewing courses.

The following section of the report describes the continuing education programs at the Board of Accountancy, the Board of Dental Examiners, the Board of Medical Quality Assurance, the Board of Pharmacy, and the Board of Registered Nursing. Appendix B provides a complete list of all the continuing education courses we identified that do not meet the State's or the agencies' continuing education requirements.

The Board of Accountancy

The California Business and Professions Code mandates continuing education for licensed public accountants because the Legislature believes that licensed accountants best serve the public when they are informed of current developments in their field. To comply with the code, the Board of Accountancy accepts courses for continuing education credit that are reasonably within the accounting or business field, and it requires licensees to attend 80 hours of courses every two years. We reviewed approximately 2,950 course titles that licensed accountants reported for continuing education credit in 1982, 1983, and 1984; we found that most of these courses met the legislative intent for continuing education.

In reviewing the 2,950 course titles, however, we found 16 courses that did not meet the legislative intent for continuing education. For example, in 1982, one licensee received 14 hours of continuing education credit for a managers meeting even though the agency's continuing education policies specify that company meetings devoted to administrative and company matters do not qualify for continuing education credit. In another instance, a licensee received 46 hours of credit for attending staff meetings. Further, although the board's policies do not include self-improvement as a general subject area for courses that contribute to the professional competence of the licensed accountant, we identified seven courses in this subject area that the board accepted for credit. For example, one licensee received

credit for a course entitled "How to Build Memory Skills," and another licensee received credit for an 8-hour assertiveness training course.

The Board of Accountancy places primary responsibility upon the licensee to attend courses that will contribute directly to the licensee's professional competence. The board, however, does not routinely send guidelines for course selection to the licensees with examples of courses that it considers acceptable or unacceptable for continuing education credit. A board staff member said that licensees frequently request board clarification concerning appropriate subject areas, but the board's policies require staff to place the responsibility for course selection upon the licensee. The board's policies do not allow staff to offer specific interpretations of the requirements.

The board does not deny credit for company-related staff meetings or self-improvement courses because the board's executive director feels that these activities can increase the professional competence of the licensee and, therefore, should be acceptable for continuing education credit. However, we determined that these activities and courses do not provide the licensed accountant with information about developments in the accounting profession and thus do not meet the legislative intent for continuing education.

The Board of Dental Examiners

The California Administrative Code requires that licensed dentists attend continuing education courses to enhance their knowledge, skill, and competence in caring for patients. The code specifies that courses must relate directly to the licensees' delivery of dental care to patients or to the practice of dentistry. We reviewed the titles of 2,507 courses offered to dentists in 1982, 1983, and 1984 and examined course materials for a sample of these courses. We found that 2,461 of the courses met the California Administrative Code's criteria for continuing education courses.

Of the 2,507 courses we reviewed, 46 courses (approximately 2 percent) did not meet the Board of Dental Examiners' requirement that continuing education courses relate directly to the practice of dentistry. For example, 16 of the 46 courses dealt with personal money management and business matters even though the California Administrative Code prohibits dentists from claiming such courses for continuing education credit. Six dentists attended and received 14 credits for a course entitled "Investment Strategies, Estate Planning Techniques, and Changing Tax Laws" in 1983. Further, approximately 100 dentists attended a six-credit course in Alta, Utah, entitled "The Banker -- He Should Be the Doctor's Best Friend." Dentists also attended such courses as "The Tax Equity and Fiscal Responsibility Act of 1982," "A Candid View of the Failure of the Criminal Justice System," and a seven-credit course called "The Spokesperson Training

Seminar," which instructed dentists on public speaking techniques. Finally, we found that the Board of Dental Examiners had approved a 1983 seminar that included a course entitled "Over-the-Counter Veterinary Medicine." The objective of this course was to make the dentist "...aware of the special problems that arise from dosing small animals with drugs normally available in either the drug store or the family medicine cabinet." The Board of Dental Examiners classifies this course, which at least six dentists attended, as one which pertains to the actual delivery of dental services.

The Board of Dental Examiners classifies providers of continuing education courses as "registering or nonregistering." A nonregistering provider registers with the board each course that the provider intends to offer to dentists for continuing education credit. A registering provider does not need agency approval for the courses it offers. Because the board does not routinely review courses offered by registering providers, such providers sometimes offer inappropriate courses for continuing education credit.

The board's executive officer said that the board requires registering providers to send to the board each year a list of courses the providers have offered in the previous year. The executive officer also said that a member of the board's staff reviews this list to determine if the courses meet the purpose of continuing education. However, the board does not have a procedure for identifying providers that do not submit annual course listings. During our review of course

files, we identified files for registering providers that contained no course lists or course documentation. Also, we found that the board does not deny approval for inappropriate courses offered by registering providers that do submit course lists to the board. We reviewed the course lists sent to the board by two registering providers and determined that these providers offered three inappropriate courses during 1983 and 1984; the board did not deny credit for the three inappropriate courses.

Additionally, another registering provider offered dentists two hours of continuing education credit for attending a lecture by Dr. Henry Kissinger on foreign policy. The Santa Clara County Dental Society sponsored this lecture in March 1984. After the Board of Dental Examiners requested a course outline and an explanation of the society's rationale for assigning two hours of credit to this lecture, the society withdrew the continuing education credit. The society also sent a letter to the dentists who attended the lecture informing them that the society had withdrawn credit for the lecture.

Another reason that the Board of Dental Examiners may have accepted inappropriate courses for credit is that this agency has insufficient procedures for course review. In particular, the board does not have written guidelines that detail appropriate and inappropriate subject areas for continuing education courses. Moreover, the board does not always ensure that it receives sufficient course documentation from providers so that the board can review

courses adequately. When reviewing the board's course files, we found that some files did not contain any course information and that some files did not contain enough course information for us to determine if the courses complied with the board's continuing education requirements. Without complete course documentation and written guidelines for reviewing courses, the board cannot adequately review courses for continuing education.

Additionally, the board does not require licensees to report course titles or providers when these individuals renew their licenses. Licensees simply certify that they have completed the required course hours. Therefore, the board cannot verify that the courses that licensees take for credit meet the board's continuing education requirements.

The Board of Dental Examiners acknowledges that its course review procedures need improvement. Staff members currently are preparing a draft document that addresses the board's need for guidelines for reviewing and approving continuing education courses. In addition, the board's executive officer has indicated that she is proposing a revision to current procedures; this revision will give the board greater ability to monitor the courses that dentists take for continuing education credit.

The Board of
Medical Quality Assurance

The California Business and Professions Code requires the Board of Medical Quality Assurance to adopt regulations for implementing continuing education requirements for physicians and surgeons. The Legislature's intent for continuing education is to ensure the continued competence of these professionals in the medical profession. Similarly, the California Administrative Code requires that the content of the continuing education courses for physicians relate directly to patient care or to public health. To ensure that all courses offered for continuing education credit meet the requirements of these codes, the Board of Medical Quality Assurance has authorized three private medical associations to accredit and approve courses that providers offer to physicians for continuing education credit.

Although the Board of Medical Quality Assurance has delegated its responsibility for administering continuing education for physicians, the board has not implemented a procedure for evaluating the course review activities of the private associations. Specifically, the Board of Medical Quality Assurance has not developed regulations that would give the board the legal authority to review the records of courses that the private medical associations have approved. Thus, the board cannot verify that the medical associations are approving courses that meet the legislative intent for continuing education as stated in the California Business and Professions Code.

The Board of Medical Quality Assurance also does not require physicians to list titles of courses and the names of course providers when the physicians apply for license renewal. Physicians simply certify that they have completed the required number of continuing education hours. Therefore, the board does not verify before it issues or renews licenses that physicians and surgeons are complying with continuing education requirements.

The executive director for the Board of Medical Quality Assurance told us that the board has had no reason to question the private medical associations' procedures for accrediting and approving courses. The executive director feels that the private medical associations would voluntarily produce continuing education records should the board request them. However, because the board does not have specific legal authority to audit relevant continuing education records, the private associations are not bound to honor such a request.

The Board of Pharmacy

The Business and Professions Code does not specify the purpose of continuing education for pharmacists as it does for the professionals regulated by the other agencies in our review. Nonetheless, the code does provide a list of appropriate subject areas for courses that pharmacists may take for continuing education credit. These subjects relate directly to the practice of pharmacy. We

reviewed the titles of 1,116 courses that pharmacists could attend for continuing education credit, and we examined course materials for some of these courses. We found that 1,101 courses related directly to improving a pharmacist's professional knowledge or skills.

We found 15 courses, however, that did not contribute to a pharmacist's professional competence. Similar to courses accepted by the Board of Dentistry, 12 of the 15 courses dealt primarily with finances, money management, marketing, and miscellaneous business matters. For example, 17 pharmacists attended a course entitled "Tax Shelters: Use of Partnerships vs. Professional Pharmacy Corporations." Pharmacists also attended a course entitled "Pharmacy and Anti-Trust Laws." Other inappropriate courses focused on politics and self-improvement. For example, pharmacists could receive 30 hours of continuing education credit by attending "Adventures in Attitudes," a course that teaches techniques for developing strong, positive attitudes.

The Board of Pharmacy requires providers to submit information so that the board can review the content of courses and deny credit for inappropriate courses. The board, however, has not developed specific guidelines for staff to use in deciding the appropriateness of courses that the board has not reviewed and accredited. For example, the board's regulations do not elaborate on the provisions of the Business and Professions Code that specify appropriate subject areas for courses. Also, the board's current continuing education program

permits pharmacists to take courses for continuing education credit in such subject areas as financial planning and money management even though the courses do not relate directly to the practice of pharmacy. Finally, because the board does not require licensees to report course titles and the names of providers when these individuals apply for license renewal, the board does not ensure that the courses reported for credit by licensees are appropriate.

The Board of Registered Nursing

The California Business and Professions Code and the California Administrative Code state that continuing education courses for nurses should pertain to the practice of nursing and provide scientific knowledge and technical skills that a nurse can apply directly or indirectly to patient care. The California Administrative Code also requires the Board of Registered Nursing to conduct audits of continuing education courses for nurses and of course providers. We reviewed the titles of approximately 7,300 continuing education courses reported to the board by approximately 1,700 registered nurses from August 1982 through June 1984. Most courses we reviewed met the codes' continuing education requirements.

The California Administrative Code specifies that continuing education courses are not appropriate if the courses deal with self-improvement or changes in attitudes or if the courses do not deal directly with the nursing profession. Nonetheless, we found 14

inappropriate courses that the Board of Registered Nursing had accepted for credit. For instance, 41 nurses attended a self-improvement workshop entitled "Writing for Publication" and received credit for four continuing education hours. In addition, at least 15 registered nurses take an effectiveness training class for women each year; these nurses receive credit for 30 course hours. We also identified an eight-unit water conservation class that nurses reported for continuing education credit.

The Board of Registered Nursing has accepted inappropriate courses for credit because it does not review and approve courses offered to registered nurses. Since January 1982, the board has relied upon each provider to offer courses that comply with the board's continuing education guidelines. Moreover, the board does not comply with provisions in the California Administrative Code that require the board to conduct audits of courses and course providers to ensure that the providers comply with the board's guidelines. Finally, the board does not review the titles of courses reported on a licensee's renewal form before issuing a new license; the board thus allows nurses to receive credit for some inappropriate courses.

Some Agencies Do Not Have
Sufficient Criteria for
Regulating the Content of Courses

As discussed earlier, the Business and Professions Code and the California Administrative Code mandate continuing education for certain professionals so that professionals keep abreast of developments in their field and improve their delivery of services to the public. The Business and Professions Code also requires all but one of the agencies we reviewed to establish regulations for implementing the code's continuing education provisions. Three of the agencies in our review, however, have implemented regulations that do not include minimum standards for courses in technical subject areas. As a result, some professionals comply with their licensing agency's continuing education regulations yet do not take any courses that directly maintain or enhance their professional skills.

To meet the codes' requirements, the licensing agencies we reviewed require their licensees to complete a specified number of hours of continuing education. We found that, in general, we could group continuing education courses into two categories: courses designed to maintain or enhance a licensee's technical skills and courses that pertain to the efficient and economical delivery of services to the public. The first category includes only those courses that pertain to the specific nature of the profession itself, such as courses on health care for licensees in the health-related professions and courses about accounting services for licensees in the accounting

profession. The second category includes courses that relate indirectly to the professionals' providing services to the public, such as courses in office and practice management, in marketing the professionals' practice, and, for health professionals, in behavioral science.

To ensure that licensees take courses that will directly enhance the licensees' professional knowledge, two of the agencies we reviewed specify the minimum number of hours that a licensee must complete in courses in the first category. The Board of Dental Examiners requires dentists to complete 25 of their 50 required continuing education hours in scientific courses that pertain to the actual delivery of dental services. The Board of Dental Examiners recognizes that courses in the second category can also be relevant to the efficient practice of dentistry, but it limits the credit that a dentist may claim for courses in this category to 25 hours. The regulations of the Board of Medical Quality Assurance specify that physicians and surgeons must complete all of their required 100 continuing education hours in courses that relate directly to patient care or public health.

In contrast, the Board of Accountancy, the Board of Pharmacy, and the Board of Registered Nursing do not require their licensees to complete a minimum number of continuing education hours in courses designed to maintain or enhance the licensees' technical or professional skills. Consequently, licensees of these three boards

sometimes fulfill their continuing education requirements by taking courses that relate only indirectly to the licensees' professional skills.

For example, we found 10 instances in which registered nurses complied with their continuing education requirements during the 1982-84 renewal period by reporting one 30-hour course, entitled "The Turning Point," that dealt primarily with "mind-body relationships." Although this course might indirectly improve the licensees' nursing abilities, the course provided little information related to technical nursing skills. According to the provider of this course, the provider offers "The Turning Point" at least 12 times a month and about 40 nurses attend each class. Nurses who report this course to renew their licenses are fulfilling continuing education requirements without directly enhancing their professional competence.

CONCLUSION

The California Business and Professions Code and the California Administrative Code require licensed professionals to complete continuing education courses as a condition of license renewal. The State mandates continuing education for licensed professionals so that these professionals will improve their skills and knowledge and thus better serve the public. We found that all of the courses accepted for continuing education credit by the Department of Real Estate

and most courses accepted for credit by the Board of Accountancy, the Board of Dental Examiners, the Board of Pharmacy, and the Board of Registered Nursing relate directly to licensees' providing professional services to the public.

However, four of the six agencies we reviewed accepted for credit some courses that do not meet the continuing education criteria of the California Business and Professions Code and the California Administrative Code. For example, the agencies accepted courses in such subject areas as marketing, self-improvement, finance and money management, and political awareness. Because a fifth agency in our review, the Board of Medical Quality Assurance, does not obtain records of the continuing education courses that are available to its licensees, we were unable to review continuing education courses for physicians and surgeons.

The four agencies we reviewed that accepted inappropriate courses for continuing education credit did so because the agencies do not have comprehensive written procedures for reviewing courses. Also, the Board of Accountancy, the Board of Pharmacy, and the Board of Registered Nursing do not have specific criteria for a minimum number of course hours that licensees must take in technical subject areas. These agencies do not require licensees to take courses that relate directly to improving the licensees' technical or professional

skills. Because these three agencies accept for continuing education credit courses that do not directly enhance licensees' professional competence, licensees do not always comply with the legislative intent for continuing education.

RECOMMENDATIONS

To improve their administration of continuing education, the Board of Dental Examiners, the Board of Medical Quality Assurance, the Board of Pharmacy, and the Board of Registered Nursing should develop comprehensive written procedures for reviewing courses reported by licensees for continuing education credit. The four boards should also specify the subject areas that are appropriate and those that are inappropriate for continuing education. The boards should not accept for continuing education credit courses that do not fall within the appropriate subject areas.

The Board of Accountancy should revise its continuing education guidelines to exclude company-related meetings and self-improvement courses that do not relate directly to the development of professional skills. Also, the Board of Accountancy should send to its licensees guidelines for selecting acceptable continuing education courses.

To ensure that licensed professionals receive credit only for courses in appropriate subject areas, the Board of Dental Examiners, the Board of Medical Quality Assurance, and the Board of Pharmacy should require licensees to report to their respective board the titles and the names of providers for all courses that licensees complete for continuing education credit.

The Board of Dental Examiners should identify annually those registering providers that do not submit to the board a list of courses that the providers have offered during the previous year. Once this board identifies providers who have not submitted this list, the board should obtain the lists and review the titles of courses for compliance with the State's and the board's continuing education requirements. Also, this board should ensure that it has sufficient information about a course or a provider before the board approves or denies the course. Once the board reviews the course, the board should retain all relevant information.

The Board of Accountancy, the Board of Pharmacy, and the Board of Registered Nursing should follow the example of the Board of Dental Examiners and the Board of Medical Quality Assurance in delineating two categories of continuing education courses and in establishing a minimum standard for the number of course hours that licensees must complete in the first

category. The first category of courses should include only those courses that relate to licensees' maintaining and enhancing technical skills. The second category of courses should include those courses that relate to the efficient and economic delivery of the licensees' services to the public. Requiring licensees to complete courses in the first category would help ensure that licensees broaden their professional knowledge and skills.

Further, the Board of Medical Quality Assurance should adopt regulations that allow the board access to relevant continuing education records of the private medical associations that accredit courses for physicians. Also, the board should audit these records to ensure that the associations are authorizing courses that meet the legislative intent for continuing education.

Finally, the Board of Registered Nursing should comply with the California Administrative Code and conduct audits of course providers and of providers' records.

OTHER PERTINENT INFORMATION

In December 1982, the Department of Consumer Affairs published a report in which it estimated that licensed professionals in California spend approximately \$240 million per year to comply with mandated continuing education requirements. Under California tax law, licensed professionals may deduct from their tax obligations their "ordinary and necessary" business expenses for attending continuing education courses.

The California Franchise Tax Board (FTB) follows federal guidelines concerning the deductibility of educational expenses. Under these guidelines, according to the FTB, California tax law allows licensed professionals to deduct legitimate expenses for continuing education courses and seminars as well as the travel expenses associated with these activities. Travel expenses include transportation, lodging, and meals. The law also allows individuals to claim deductions for educational expenses that are not related to their continuing professional education but are related to activities from which individuals derive significant income. For example, a professional who derives a significant portion of his or her total income from investments can claim a deduction for educational activities that pertain primarily to earning income through investments.

California tax law provides guidance for determining which educational expenses are deductible. If the direct costs of an educational activity are an ordinary and necessary business expense, these direct costs are always deductible. However, travel expenses associated with an educational activity may or may not be deductible, depending on where the activity occurs and on the individual's primary purpose in traveling to the location of the activity. If the primary purpose of the individual's travel in the United States is personal in nature, then travel expenses are not tax deductible. However, if the individual travels to a foreign location, more restrictive rules apply.

During our review, we identified a 1983 continuing education course for dentists entitled "Dentistry in China" that involved a 14-day trip to China. Dentists attended three days of continuing education lectures during the 14-day period. In this instance, the cost of attending the lectures is tax deductible; however, under the tax law for foreign travel, only three-fourteenths of the dentists' travel costs are tax deductible.

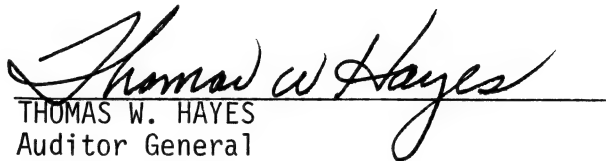
We also identified another 1983 continuing education course for dentists that required extensive travel. This course, entitled "The Third Annual Hawaiian Dental Forum," involved a one-week trip to Hawaii and included 25 hours of continuing education lectures. The forum featured 5 hours of lectures daily for five consecutive days. Under the California tax law for domestic travel, all of the expenses for travel and for the course are deductible if the dentists' primary

purpose for traveling was related to business or to generating income. On the other hand, if the dentists vacationed for an additional two weeks in Hawaii, then the primary purpose of the trip was personal in nature, and the dentists' travel expenses are not deductible.

Licensed professionals in California spend a large sum of money to comply with the continuing education requirements of the State and of their respective licensing agency. However, we found that not all continuing education courses meet licensing agencies' requirements and that some agencies' requirements do not encompass the legislative intent for the continuing education of professionals. Because licensed professionals can deduct from their income taxes their ordinary and necessary educational expenses, the State, in effect, subsidizes licensed professionals who take courses that do not improve their professional skills or services to the public.

We conducted this review under the authority vested in the Auditor General by Section 10500 et seq. of the California Government Code and according to generally accepted governmental auditing standards. We limited our review to those areas specified in the audit scope section of this report.

Respectfully submitted,


THOMAS W. HAYES
Auditor General

Date: August 20, 1984

Staff: Robert E. Christophel, Audit Manager
Kathleen Herdell
John Billington
Patricia Woehrlin
Margaret Ann Peters

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Alcoholic Beverage Control
Banking
Corporations
California Highway Patrol
California Housing Finance
Agency
Economic and Business
Development

GEORGE DEUKMEJIAN
GOVERNOR OF
CALIFORNIA



BUSINESS, TRANSPORTATION AND HOUSING AGENCY

Insurance
Housing and Community
Development
Motor Vehicles
Real Estate
Savings and Loan
Transportation
Teale Data Center
Office of Traffic Safety

August 14, 1984

Mr. Thomas W. Hayes
Auditor General
660 J Street, Suite 300
Sacramento, CA 95814

Dear Mr. Hayes:

The preliminary report from the Office of the Auditor General entitled "Some Continuing Education Courses Do Not Meet State Requirements" has been reviewed by me and found to be factually correct by the Department of Real Estate.

The opportunity to be included in the report is appreciated. Staff within the Department of Real Estate commented on the professionalism and cooperativeness of the members of your office that were assigned to compile the report.

It is of considerable interest to learn of the methodology and procedural aspects employed by other state agencies in administering a continuing education program. Moreover, I am glad to see that the Department of Real Estate's Continuing Education Program was clearly found to be in good order.

I look forward to receiving a copy of the final report when available, as does the Department of Real Estate.

Sincerely

A handwritten signature in cursive script, appearing to read "Kirk West".

KIRK WEST
Secretary



State and Consumer Services Agency

OFFICE OF THE SECRETARY
915 Capitol Mall, Suite 200
Sacramento, CA 95814

(916) 323-9493
TDD: (916) 323-6975

August 15, 1984

Mr. Thomas W. Hayes
Auditor General
660 J Street, Suite 300
Sacramento, CA 95814

Dear Mr. Hayes:

Re: Auditor General Report, P-439

The State and Consumer Services Agency has reviewed the Auditor General Report, P-439, "Some Continuing Education Courses Do Not Meet State Requirements." The legislative intent of continuing education is shared by the Agency in that by providing licensed professionals with current or expanded education and information in their respective professional discipline, the consumers of their services are both protected and better served.

We concur with the recommendation that programs which require continuing education have an obligation to ensure that courses being accepted as satisfying the continuing education requirement expand and enhance the professional level of service as the Legislature intended. The Agency and Department of Consumer Affairs will work with the individual boards involved to implement the recommendations where feasible. In those instances where implementation is dependent in part on additional resources or other constraints, we will assist the respective boards to develop alternative approaches to ensuring that the continuing education program meets its primary objectives.

We have attached the individual comments of the respective boards.

Sincerely

A handwritten signature in black ink, appearing to read "A. A. Pierce".

A. A. PIERCE
Undersecretary

Attachments

Memorandum

To : Marie Shibuya-Snell

Date : August 10, 1984

Telephone: ATSS ()
()

From : Department of Consumer Affairs—
Board of Accountancy

Subject: Auditor General's Report

This is in response to the Auditor General's Report #P-439 regarding the Board's continuing education policies and procedures.

The Report states that the Board should improve its review procedures. While we agree that any program can be improved, we question whether additional staffing costs would be warranted in this case. First, of the courses reviewed the Auditor General reported that only one-half of one percent did not adhere to the Board's rules for continuing education. Even if we agreed that these courses were not in compliance, which we do not, this appears to be a relatively small "error" factor if the Board's limited staffing is considered.

Secondly, Business & Professions Code Section 5027 requires the Board to take cognizance of specialized areas of practice when establishing continuing education rules and policies. The public accounting profession is becoming increasingly diverse. Many practitioners limit their practice to areas such as tax, management advisory services and consulting and do not become involved in traditional accounting or auditing areas. Many of the courses listed in the report (Appendix B) would improve the licensee's professional competence in the management services area. Courses relating to the training of partners and managers tend to increase firm effectiveness and competence which results improved firm performance. ① *

The Board will, however, carefully review its administrative procedures to assure optimum compliance with continuing education rules.

The Auditor General's Report concludes with two recommendations:

- 1) "The Board of Accountancy...should develop comprehensive written procedures for reviewing courses reported by licensees for continuing education credit."

Response

The Board has informational material which is sent to licensees, and utilized by staff, which specifies 15 appropriate continuing education subject areas and outlines types of training that can qualify. ② Further,

* The Auditor General's comments appear on page 37.

Marie Shibuya-Snell
August 10, 1984
Page Two

the Board's Continuing Education Committee and management staff are available to evaluate courses which do not fall strictly within the designated subject areas. The Board will remind the clerical staff of this material and provide additional training in this area.

- 2) "The Board of Accountancy should follow the example of the Board of Dental Examiners...by delineating two categories of continuing education courses and establishing a minimum standard for the number of course hours that licensees must complete in the first category. The first category of courses should include only those courses that relate to licensees maintaining and enhancing technical skills."

Response

In view of this recommendation the Board will re-evaluate this concept. However, it is important to note that all previous surveys have shown that the overwhelming majority of courses taken are in a technical area and that the majority of licensees object to a "core" course requirement. The Auditor General found only .5% of the courses were not in a technical area. The Board also received substantial testimony on this issue during the regulatory review program. It was the general consensus that due to the diverse nature of the accounting profession, licensees should be permitted to attend courses which improved their professional competence in their specific area of practice and that mandating attendance at other courses was an unnecessary economic burden for which there was no demonstrated necessity. Proponents of the "core" course concept were unable to produce evidence which would justify more restrictive continuing education rules regarding acceptable subject matter.

We appreciate the time and effort devoted to this project and the professional approach of the Auditor General's staff. We will be pleased to provide any additional information or clarification needed.

Sincerely,



Della Bousquet
Executive Officer

cc: Board Members

- ① The courses we reviewed that dealt with improving "firm performance" were inappropriate because they did not contribute directly to the individuals' professional competence or to their delivery of services to the public.
- ② After the Board of Accountancy prepared its response to our draft report, the Executive Director agreed that the Board does not routinely send this material to the licensees.

Memorandum

To : Marie Shibuya-Snell
Director

Date : August 13, 1984

Telephone: ATSS ()
()

From : Board of Registered Nursing - Catherine M. Puri, R.N., Ph.D.
Executive Officer

Subject: Auditor General Report P-439 - "Some Continuing Education Courses Do Not Meet State Requirements"

The following comments are offered in response to recommendations made in the Auditor General Report, P-439.

1. Development of comprehensive written procedure for reviewing courses reported by licensees for continuing education credit.

The Board of Registered Nursing agrees that all courses given by providers should be reviewed on a regular basis. Previous to fiscal year 82-83, all providers submitted their first three courses for Board approval. However, due to fiscal constraints, the loss of two nursing consultant positions and recommendations from the Department of Consumer Affairs Management Analyst Office, the current review system was streamlined and adopted.

Since 1975, the Board of Registered Nursing routinely provides comprehensive instructions for providers of continuing education outlining the Board's requirements and specific examples of subject areas appropriate for continuing education. While the Auditor General's report identified 14 courses (less than .20 of one percent of the courses audited) to be in their opinion inappropriate for continuing education credit, the Board finds that several of the courses, in fact, enhances the professional competence of registered nursing. For example, a course such as "Writing for Publication" assists the nurse to share with others in the professional journals current research findings and changes in health care trends that will have a broad impact on the professions of nursing.

2. Delineation of two categories of continuing education courses and establishment of a minimum standard for the number of course hours for each.

The Board of Registered Nursing will consider this recommendation. Fiscal constraints will preclude implementation of this recommendation during this budget year. Additionally, it should be noted that not all registered nurses provide direct patient care and courses identified under indirect patient/client care may in fact more directly enhance their professional competence.

3. Conduct audits of course providers and the provider records.

The Board of Registered Nursing agrees that a comprehensive audit system of providers and their records should be implemented. Presently only providers who have complaints filed by a licensee are audited.

Between September, 1982 to April, 1983, the Board conducted random desk audits of 110 providers. The audit consisted of course outlines which contained a brief overview, course objectives in behavioral terminology, a detailed topical outline, curriculum vitae of instructors, attendance records, evaluation of course by participant, brochures if appropriate, and a copy of the certificate the providers used.

The majority of the providers audited were found to be in compliance with the Board's regulations. Those not in compliance had minor areas of omissions that were corrected without difficulty. Fiscal constraints has curtailed this activity.

rm



BOARD OF MEDICAL QUALITY ASSURANCE

1430 HOWE AVENUE, SACRAMENTO, CALIFORNIA 95825

(916) 920-6393



August 13, 1984

Mr. Thomas W. Hayes
Auditor General
660 J Street, Suite 300
Sacramento, CA 95814

Dear Mr. Hayes:

We appreciate this opportunity to comment on the draft report on Continuing Education. We have the following comments:

1. We will review our legal authority to gain access to the records of the private medical associations on whom we rely for certification of CME. If there is a cloud upon our authority, the recommendation to pass regulations giving us the right to inspect records deserves full consideration.
2. Our 1% audit sample was developed specifically to avoid a large volume of paper processing at renewal time. Given that not even an agency like the IRS audits 100% of returns, we believe our sampling is an appropriate approach to use. The draft report's comments that we do not require physicians to list course titles and providers is accurate insofar as it regards those physicians who report through approved medical associations. The audited physicians who report directly to BMQA, however, do submit documentation which includes course title and provider.

We believe that any potential problems being highlighted here by the Auditor General could be solved through strengthening our present CME audit system. If this requires reviewing the records of the associations as discussed under #1, above, we will initiate discussions to that end. It does not appear to us to be cost-effective to require 100% of California's physicians to report course titles and providers at time of renewal.

Sincerely,


KENNETH J. WAGSTAFF
Executive Director

KJW:set

Memorandum

To : MARIE SHIBUYA-SNELL
Director
Department of Consumer Affairs

Date : August 13, 1984
Subject: RESPONSE: AUDITOR
GENERALS CONTINUING
EDUCATION REPORT

From : Board of Dental Examiners
GEORGETTA COLEMAN
Executive Officer



The Auditor General has made four recommendations regarding the Board of Dental Examiners continuing education program. The following is the Board's response:

1. Recommendation

Develop comprehensive written procedures for reviewing continuing education courses.

The Board concurs with this recommendation. In fact, prior to the audit the Board has begun a review of its' continuing education programs and made the same conclusion. A report of the continuing education review with recommendations was presented at the January 6, 1984 meeting of the Board. The revised continuing education procedures were approved in May. Currently these procedures are being processed for implementation as soon as the new fee regulations are approved. It is anticipated the new fees, approval procedures and audit of licensees, as well as providers, will be implemented no later than January 1985.

2. Recommendation

The Board should specify appropriate and inappropriate continuing education subject areas.

The Board again concurs with the recommendation. It has been the Board's policy to specify broad guidelines on appropriate subject areas. Existing regulation 1094(b)(1) & (2) outline general categories of continuing subject areas. However, this procedure can and will be enhanced once the new procedures are fully implemented. The new procedures would ensure that courses be screened to eliminate the inappropriate subject areas.

3. Recommendation

The Board should identify registering providers that do not submit course list, obtain the list, review the courses and ensure that sufficient information is provided to judge if approval or denial should be granted.

The Board believes its' new procedures will ensure that this recommendation is met. Providers will be required to annually submit with their renewal application lists of courses offered in the prior years.

4. Recommendation

The Board should require licensees to report course titles and the names of providers.

Currently the renewal forms are being revised to include the information recommended. The form revision is the result of the Board's review prior to knowledge of the audit. The Board believes this is appropriate to more accurately monitor continuing education.

Memorandum

To : Marie Shibuya-Snell

Date : August 13, 1984

File No.:

From : Board of Pharmacy

Subject: AUDITOR GENERAL'S REPORT - CONTINUING EDUCATION COURSES

As requested by Neil Fippin, we are responding to the report prepared by the Office of the Auditor General, "Some Continuing Education Courses Do Not Meet State Requirements".

1. Accuracy of representation of Board of Pharmacy's CE process.

We find that the Auditor General has presented an accurate description of our process, albeit, in its most simple format. There are no technical nor substantive errors.

2. Specific recommendations.

After a careful review, we can identify six (6) recommendations for the Board of Pharmacy. While four (4) are direct, two (2) can be interpreted as implied, or suggestions.

- A. The Report points out that neither statute nor regulation specifies the intent of continuing education for pharmacists.
- B. The Report recommends that the Board develop specific guidelines for reviewing courses reported by licensees for CE credit.
- C. The Report recommends that the Board establish two categories of CE, i.e., 1) courses that relate to licensee's maintaining and enhancing technical skills and 2) courses that relate to the efficient and economic delivery of the licensee's services to the public.
- D. Closely related to C, the Report recommends that the Board specify the number of credits (hours) required in each category.

- E. The Report recommends that the Board require licensees to certify completion of the required CE courses (by listing them) on their renewal form.
- F. During our exit interview with staff from the Auditor General's Office, all of the recommendations were discussed, as well as the feasibility of implementation. Recommendations B, C and D, while positive in nature, would be cumbersome within our current system (i.e., our current system is based on acceptable and accredited courses, while the Auditor General's categories are dealing with different criteria).

That which seems constructive is to reassess our use of acceptable and accredited courses and substitute with categories I and II.

3. Plans for Implementation


Of the six (6) recommendations from the Auditor General, one (1) easily can be implemented as an internal procedure (Recommendation E). The remainder could be implemented through regulation changes.

In May 1984, after two years of deliberations and controversial hearings, the Board adopted a new set of CE regulations, which currently await the Director's approval.

The next Board meeting has been scheduled for October 30-31, 1984. Prior to that date, I will be discussing the recommendations with the President, Bob Toomajian, other Board members, and the CE committee.

It is my intention to bring the Report, CE committee and Board member recommendations before the full Board in October. At that time, the Board can decide which recommendations they endorse and the course of action for implementation.

I will keep you apprised of Board decisions and our timetable.



LORIE GARRIS RICE
Executive Officer

cc: Robert Toomajian
Neil Fippin

**PROCEDURES FOR ADMINISTERING
CONTINUING EDUCATION AT SIX STATE AGENCIES**

Department of Real Estate

Sections 10170.4 and 10170.5 of the California Business and Professions Code requires all 235,669 current real estate licensees to attend a total of 45 hours of continuing education for each four-year period preceding license renewal. Section 10170.4 of the Business and Professions Code states that the Department of Real Estate "shall establish standards which will assure reasonable currency of knowledge as a basis for a level of real estate practice which will provide a high level of consumer protection and of competence in achieving the objectives of members of the public who engage the services of licensees." A licensee may take for continuing education credit only those courses approved by the Department of Real Estate. Once the department approves a course, it assigns the course an identification number. Although providers may offer approved courses as often as they like, providers must have the department approve each course annually.

The department requires real estate licensees who are renewing their licenses to report the identification numbers of the continuing education courses that the licensees have completed. In this way, the department can verify the licensee's compliance with continuing education requirements. Further, the department restricts course providers from issuing a course identification number until licensees have completed a course to ensure that licensees actually attend the course. In addition, the department requires course providers to keep attendance records. The department reserves the right to audit providers' records if it suspects that a licensee has reported courses falsely. The department's staff occasionally attend courses to ensure that providers offer only courses that the department has approved.

Board of Accountancy

Section 5026 of the California Business and Professions Code requires licensed accountants to comply with the continuing education requirements of the Board of Accountancy as a condition of their license renewal. Section 5027 of the code requires the Board of Accountancy to develop rules that delineate continuing education requirements, appropriate continuing education programs, and a system of control and reporting.

The Board of Accountancy has developed continuing education policies that specify requirements for licensees and some appropriate subject areas for continuing education courses. The board requires

licensees to renew their licenses every two years; licensees must complete 80 hours of continuing education courses in business-related fields as a condition of license renewal. According to the board's regulations, licensees must report to the board the titles of courses they completed, the number of units for the individual courses, and the names of the course providers. The board reviews the course titles before renewing an individual's license. The board also verifies the attendance of a random sample of approximately 1.7 percent of its licensees. During fiscal years 1982-83 and 1983-84, the board renewed approximately 24,000 board licenses.

The Board of Accountancy does not require providers of continuing education courses to send any course material to the board or to obtain board approval before the provider offers a course. However, some providers choose to have the board review their courses.

Board of Dental Examiners

Section 1645 of the California Business and Professions Code states that the Board of Dental Examiners may require dentists, as a condition of license renewal, to continue their dental education after receiving their first license. The California Administrative Code specifies continuing education requirements for dentists and the appropriate subject areas for continuing education courses. Currently, the Board of Dental Examiners is responsible for administering the State's continuing education requirements for about 21,183 licensed dentists.

Each licensed dentist must complete 50 hours of continuing education courses every two years, unless the dentist is otherwise exempted from the requirement. The dentist must complete at least 25 hours of this time in scientific courses related to the actual delivery of dental services. The board classifies such courses as Category I courses. The remainder of the licensees' required continuing education hours may be completed in Category II courses, that is, in courses directly related to the practice of dentistry. Category II courses may include such subject areas as office design, practice management, or law, provided the courses specifically address the needs of a dental practice. Licensees certify that they have fulfilled their continuing education requirement by signing their license renewal form. The board audits some licensees each year to ensure that they have completed the required number of continuing education hours.

The Board of Dental Examiners must register all providers of continuing education courses for licensed dentists. The board classifies course providers into two categories. The board calls members of one category "registering" providers. Registering providers may offer, without prior board approval, any course they feel meets the board's continuing education requirements. Registering providers must submit to the board an application for registering provider status and, if approved, they must submit a list of continuing education courses that they have offered for continuing education credit to dentists in the past year.

Members of the second category are "nonregistering" providers. The Board of Dental Examiners requires nonregistering providers to register each course they plan to offer. These providers must submit an application for course registration that includes the course's title, a course outline, the instructor's name, and other relevant material. If the board's staff determine that the course complies with the board's continuing education requirements, the staff designate the course as Category I or II and specify the number of hours of credit that a licensee may receive for the course.

Board of Medical Quality Assurance

The California Business and Professions Code states that the purpose of continuing education for physicians is to ensure their continued competence as professionals. According to the California Administrative Code, continuing education courses are to relate directly to patient care, community health, or public health. The Board of Medical Quality Assurance, which administers the continuing education program for physicians, requires its 84,886 practicing licensed physicians and surgeons to complete a minimum of 100 hours of continuing education courses every four years as a condition of license renewal.

The Board of Medical Quality Assurance does not approve providers or courses but accepts programs and courses for continuing education credit that qualify for formal Category I credit from the California Medical Association, the American Medical Association, or the American Academy of Family Physicians. Category I credit courses are educational activities that relate directly to patient care, community and public health, or preventive medicine; only accredited institutions or organizations may sponsor Category I courses.

The board does not require licensees to report to the board the courses they have taken; instead, the board requires licensees to certify by signature every two years that they have met the board's requirement by attending an average of 25 hours of continuing education units per year. Licensees are either to certify that their continuing education hours can be verified by the California Medical Association or the California Academy of Family Physicians or to provide documentation that the licensees have completed approved courses. Each year the board conducts a compliance audit and selects a random sample of approximately one percent of its licensees to verify that licensees are completing the required continuing education credit hours.

Board of Pharmacy

Section 4099 of the Business and Professions Code states that the subject matter of continuing education courses for pharmacists "shall be pertinent to the socio-economic and legal aspects of health care, the properties and actions of drugs and dosage forms and the etiology, and characteristics and therapeutics of the disease state." Additionally, the code specifies the subject matter that such courses may include. Title 16, Section 1732.2, of the California

Administrative Code, requires pharmacists to complete 30 hours of continuing education for each two-year license renewal period. The Board of Pharmacy, which administers the continuing education program for pharmacists, does not require the 17,556 active licensees to report the courses they have completed; instead, the board requires the licensees to sign a statement attesting that they have completed the hours of continuing education required by the board.

Pharmacists must complete at least 15 of the 30 required hours of continuing education in accredited courses. Pharmacists may complete the remaining 15 hours in nonaccredited courses. The Board of Pharmacy must review and approve the course material before it accredits a course. Since 1973, the board has had a formal agreement with the California Pharmacy Association to review continuing education courses. The association ensures that a qualified, independent reviewer evaluates each course for its compliance with the State's and the board's continuing education requirements. The board makes the final accreditation decision based on the independent reviewer's recommendation.

Before any provider may offer a course for continuing education credit, the provider must register with the board by submitting an application and a \$50 fee. Once the board registers a provider, the provider may choose to offer the course as a nonaccredited course or elect to have the course accredited. Unlike the accreditation process, the review of nonaccredited courses is less formal. On May 8, 1984, the board adopted new regulations that eliminate any review of nonaccredited courses by the board.

Board of Registered Nursing

Section 2811.5 of the California Business and Professions Code requires the 186,642 active registered nurses to attend continuing education courses during each two-year license renewal period. Title 16, Section 1451, of the California Administrative Code specifies that, during each license renewal period, registered nurses must take 30 hours of continuing education courses that relate to the development and maintenance of the nurses' competence in the delivery of nursing care.

The Board of Registered Nursing requires registered nurses to list on their license renewal form the providers, titles, and hours for the courses the nurses have completed. Before renewing a license, the board reviews the renewal form to ensure that the applicant has reported for credit the total number of required hours. Each month, the board conducts an audit of 10 licensees to verify that each licensee has correctly reported continuing education courses.

Since 1982, the Board of Registered Nursing has not reviewed and approved courses offered to registered nurses for continuing education credit. However, the board does require all providers of continuing education courses and programs to register with the board by submitting an application and a \$100 fee every two years. By

registering with the board, the course providers agree to comply with the State's and the board's requirements for continuing education courses.

APPENDIX B

**CONTINUING EDUCATION COURSES OFFERED
OR REPORTED FOR CREDIT THAT DO NOT DIRECTLY
IMPROVE PROFESSIONAL SKILLS OR KNOWLEDGE**

| <u>Course Title (By Agency)</u> | <u>Subject Area*</u> | <u>Course Location</u> | <u>Cost of Course</u> | <u>Course Credit Hours</u> |
|---|------------------------|----------------------------|---------------------------|------------------------------------|
| <u>Board of Accountancy</u> | | | | |
| How To Build Memory Skills | Self-Improvement | Home Study | \$90 | 14 |
| Assertiveness Training | Self-Improvement | Pasadena | Unknown | 8 |
| Managers and Staff Meetings | Miscellaneous Business | Various Locations | \$0 | 2-14 |
| New Recruiters Seminar | Miscellaneous Business | Greensboro, No. Carolina | \$0 | 18 |
| Memory Made Easy | Self-Improvement | Los Angeles | \$90 | 8 |
| Partners Workshop | Miscellaneous Business | Cleveland, Ohio | Unknown | 27 |
| Office Planning Retreat | Miscellaneous Business | Rancho Santa Fe | Unknown | 14 |
| Retaining and Developing Senior CPA Staff | Miscellaneous Business | Monterey | \$145 | 8 |
| The Role of the New Partner | Miscellaneous Business | San Francisco | \$395 | 24 |
| Understanding and Managing Stress | Self-Improvement | Could Not Determine | Unknown | 12 |
| The Management of Quality | Miscellaneous Business | Winter Park, Florida | \$1,800 | 34 |
| Systematic Assertive Management | Self-Improvement | Los Angeles | \$490 | 16 |

*Descriptions of subject areas appear on page B-9.

| <u>Course Title (By Agency)</u> | <u>Subject Area*</u> | <u>Course Location</u> | <u>Cost of Course</u> | <u>Course Credit Hours</u> |
|---|------------------------------|----------------------------|---------------------------|------------------------------------|
| <u>Board of Accountancy (cont.)</u> | | | | |
| Efficient Reading for Managers | Self-Improvement | Self Study | \$80 | 10 |
| Instructors Training | Miscellaneous Business | San Francisco | \$0 | 18 |
| Conference Leader Workshop | Miscellaneous Business | Los Angeles | \$0 | 25 |
| Effective Listening | Self-Improvement | Lake Tahoe | \$115 | 8 |
| <u>Board of Dental Examiners</u> | | | | |
| Getting What You Want in Life, in Relationships | Self-Improvement | Yuba City | \$0** | 2 |
| The Annual Visit From the President-Elect of the California Dental Assn. | Miscellaneous Business | San Jose | \$0** | 2 |
| The Flying Doctors | Personal Interest | San Martin | \$0** | 2 |
| What Dentists Should Know About Taxes, Trusts, and Estate Planning in 1983, Including Pitfalls and Traps To Avoid | Finance/ Money Management | San Jose | \$0** | 2 |
| A Funny Thing Happened at the Office Today | Personal Interest | Anaheim | \$0*** | 1 |
| The Banker--He Should Be the Doctor's Best Friend | Finance/ Money Management | Alta, Utah | \$125*** | 1-2 |

*Descriptions of subject areas appear on page B-9.

**No charge for professional association members.

***Course was offered at a convention or seminar, and the cost of the course was included in the convention price.

| <u>Course Title (By Agency)</u> | <u>Subject Area*</u> | <u>Course Location</u> | <u>Cost of Course</u> | <u>Course Credit Hours</u> |
|--|------------------------------|---|---------------------------|------------------------------------|
| <u>Board of Dental Examiners (cont.)</u> | | | | |
| A Candid View of the Failure of the Criminal Justice System | Personal Interest | San Jose | \$0** | 2 |
| Financial Management | Finance/ Money Management | Santa Barbara | \$0** | 7 |
| How the CDA Dollar Is Spent for You | Miscellaneous Business | Yuba City | \$0** | 2 |
| Over-the-Counter Veterinary Medicine | Personal Interest | Anaheim, Millbrae, Inglewood, Las Vegas, Nevada | \$15 | 2 |
| Malpractice; Small Claims; Landlord-Tenant; Operating a Business; Juvenile Law | Miscellaneous Business | San Jose | \$20*** | 2 |
| Personalizing and Value Collision | Self-Improvement | Burbank, Riverside, Oakland, Sacramento | \$37 | 4 |
| Financial Strategy for the '80's | Finance/ Money Management | Palm Springs | \$0 | 6 |
| The Marketing of Professional Services | Marketing | Oakland | \$85 | 7 |
| Building the \$500,000 Practice | Marketing | San Diego, San Francisco, Los Angeles | \$195 | 7 |
| Selling Without Limits | Marketing | Various California Locations | \$20 | 7 |

*Descriptions of subject areas appear on page B-9.

**No charge for professional association members.

***This course included the cost of dinner.

| <u>Course Title (By Agency)</u> | <u>Subject Area*</u> | <u>Course Location</u> | <u>Cost of Course</u> | <u>Course Credit Hours</u> |
|---|------------------------------|----------------------------|---------------------------|------------------------------------|
| <u>Board of Dental Examiners (cont.)</u> | | | | |
| Practicing Dental Hygiene in Switzerland | Personal Interest | Watsonville | \$0 | 1 |
| Tax and Investment Planning | Finance/ Money Management | Salinas | \$0 | 2 |
| Are You Prepared? | Finance/ Money Management | Yuba City | Unknown | 2 |
| The Tax Equity and Fiscal Responsibility Act of 1982 | Finance/ Money Management | Grass Valley | \$0 | 3 |
| Spokesperson Training Seminar | Self-Improvement | Marysville | \$20 | 7 |
| The Emergency Within Us: Stress in Mid-Life | Self-Improvement | San Jose | \$60 | 7 |
| Investment Strategies, Estate Planning Techniques, and Changing Tax Laws | Finance/ Money Management | Cruise Ship to Mexico | \$0 | 14 |
| The Excellent Person | Self-Improvement | San Francisco | \$20 | 2 |
| Presentation by the President-Elect of the California Dental Association | Miscellaneous Business | Yuba City | Unknown | 3 |
| Review of the American Dental Hygiene Association Structure and Functions | Miscellaneous Business | Redding | \$0 | 3 |
| How To Keep the Money You Make and Make It Grow | Finance/ Money Management | Orange | \$45 | 6 |
| Financial and Estate Planning for Dentists | Finance/ Money Management | Los Angeles | \$0 | 2 |

*Descriptions of subject areas appear on page B-9.

| <u>Course Title (By Agency)</u> | <u>Subject Area*</u> | <u>Course Location</u> | <u>Cost of Course</u> | <u>Course Credit Hours</u> |
|---|----------------------|---|---------------------------|------------------------------------|
| <u>Board of Dental Examiners (cont.)</u> | | | | |
| Death and Dying in the Life of the Dental Professional | Personal Interest | Not Yet Held | \$0 | 6 |
| Positive Mental Awareness | Self-Improvement | Could Not Determine | Could Not Determine | 7 |
| The Job, the Search, the Resume | Personal Interest | Not Yet Held | \$36 | 3 |
| The Leadership Seminar | Personal Interest | Various California Locations | Unknown | 14 |
| Increasing Organizational and Team-Building Effectiveness | Personal Interest | Various California Locations | Unknown | 6-7 |
| Attitude and Communication | Self-Improvement | Various California Locations | \$145-\$150 | 21 |
| Effectiveness Training for Women | Self-Improvement | San Fernando Valley | \$100 | 12 |
| Adventures in Attitudes** | Self-Improvement | Los Angeles, Sacramento, Las Vegas, Nevada, San Francisco | \$125-\$225 | 25-30 |
| How To Market Your Practice | Marketing | Napa | \$400 | 7 |
| Lifestyle Seminar | Self-Improvement | Ojai | \$80 | 7 |
| Various Human Behavior Titles | Personal Interest | San Diego | Unknown | Unknown |

*Descriptions of the subject areas appear on page B-9.

**This course is offered by three providers.

| <u>Course Title (By Agency)</u> | <u>Subject Area*</u> | <u>Course Location</u> | <u>Cost of Course</u> | <u>Course Credit Hours</u> |
|---|------------------------------|----------------------------|---------------------------|------------------------------------|
| <u>Board of Dental Examiners (cont.)</u> | | | | |
| Sexuality--The Psychodynamic Approach | Personal Interest | Not Yet Held | \$95 | 7 |
| Weight Loss and Gain | Self-Improvement | Redwood City | \$200 | 25 |
| Pritikin Better Health Program | Personal Interest | Maui, Hawaii | \$545 | 16 |
| Moving Up the Assertion Ladder | Self-Improvement | Not Yet Held | \$45 | 6 |
| The Courage To Grieve | Personal Interest | Northern California | \$35-\$48 | 7 |
| <u>Board of Pharmacy</u> | | | | |
| Review of Management Functions | Marketing | Honolulu, Hawaii | \$0 | 3.5 |
| Getting the Most Out of the New Product Introduction | Marketing | Menlo Park | \$0 | 1 |
| Adventures in Attitudes | Self-Improvement | Unknown | \$165 | 30 |
| The New Universal Life Insurance | Miscellaneous Business | Norwalk | \$0 | 2 |
| IRA Regulations, Tax Laws, and Other Investment Matters | Finance/ Money Management | Torrance | Unknown | 1 |
| Crime, the Court, and the People | Personal Interest | Torrance | Unknown | 1 |
| Tax Shelters: Partnership vs. Corporation | Finance/ Money Management | Sacramento | \$30 | 3 |
| Stress Management | Self-Improvement | Glendale | \$5 | 8 |
| Pharmacy and Anti-Trust Laws | Miscellaneous Business | Sacramento | \$5 for nonmembers | 2 |

*Descriptions of subject areas appear on page B-9.

| <u>Course Title (By Agency)</u> | <u>Subject Area*</u> | <u>Course Location</u> | <u>Cost of Course</u> | <u>Course Credit Hours</u> |
|--|------------------------------|----------------------------|---------------------------|------------------------------------|
| <u>Board of Pharmacy (cont.)</u> | | | | |
| Hand-Held Programmable Calculators | Miscellaneous Business | Lynwood | \$75 | 8 |
| Should I Incorporate? Selecting the Best Business for You | Finance/ Money Management | Fresno | \$42 mail \$55 door | 6 |
| Sharpening Pharmacy's Competitive Edge | Marketing | Home Study | \$50 | 3 |
| Grass Roots Politics | Politics | Anaheim | \$65 | 1 |
| Prescription for Profit | Marketing | Home Study | \$0 | 2.5 |
| Stack Deck: Know Your Competition | Marketing | Las Vegas, Nevada | \$0 | 1 |
| <u>Board of Registered Nursing</u> | | | | |
| Self-Esteem | Self-Improvement | San Fernando Valley | \$12 | 3 |
| Mothers-Daughters, Mothers-Sons | Personal Interest | Huntington Beach | \$0 | 6 |
| Winning With People | Self-Improvement | Merced | \$2 | 12 |
| Getting More Out of Life | Self-Improvement | Los Angeles | \$15 | 7 |
| Effectiveness Training for Women | Self-Improvement | Southern California | \$100 | 30 |
| The Ins and Outs of Influencing Legislators | Politics | Grand Terrace | \$5 | 2 |
| Writing for Publication | Personal Interest | Loma Linda | \$0 | 4 |
| Managing Yourself and Others | Self-Improvement | California | \$25-\$35 | 8 |

*Descriptions of the subject areas appear on page B-9.

| <u>Course Title (By Agency)</u> | <u>Subject Area*</u> | <u>Course Location</u> | <u>Cost of Course</u> | <u>Course Credit Hours</u> |
|---|----------------------|---------------------------------------|---------------------------|------------------------------------|
| <u>Board of Registered Nursing (cont.)</u> | | | | |
| Workshop in Creative Thinking | Self-Improvement | Oakland | \$0 | 12 |
| Water Conservation | Personal Interest | San Marcos | \$18 | 8 |
| Subconscious Reality, the World of Dreams | Self-Improvement | Northern California | \$45-\$48 | 6 |
| Taking Charge of Your Own Life: How To Do It--How To Teach It | Self-Improvement | Boston, New Orleans, and Philadelphia | \$115 | 14 |
| Adventures in Attitudes | Self-Improvement | California | \$120 | 30 |
| Beliefs and Symbols | Self-Improvement | Southern California | \$270 | 27 |

*Descriptions of subject areas appear on page B-9.

Because the title of a course does not always reflect the nature of the course's content, we assigned a subject category to all inappropriate continuing education courses that we identified during our review. We used the following categories for grouping courses that do not directly improve the technical skills or knowledge of licensed professionals:

Finance/Money Management: This category includes courses that do not relate to the administration of a business or practice but pertain to making the business or practice more profitable. We include courses in tax and estate planning, business organization, and investment strategies in this category.

Marketing: In this category, we group courses that provide licensed professionals with strategies for marketing their practice, business, or products or for competing in the marketplace.

Miscellaneous Business: This category includes courses that provide licensed professionals with business-related information that is not essential for managing a practice or business or for providing services. Courses in this category deal with such areas as life insurance, use of calculators, and information about professional associations.

Personal Interest: We use this category for grouping courses that are not relevant or necessary for the delivery of services by licensed professionals. Subjects in this category include human behavior, humor, and personal communication skills.

Politics: This category includes courses designed to improve political awareness.

Self-Improvement: This category includes all courses that pertain to an individual's personal improvement, such as personal weight loss programs, personal stress reduction, and personal attitude changes.

cc: Members of the Legislature
Office of the Governor
Office of the Lieutenant Governor
State Controller
Legislative Analyst
Assembly Office of Research
Senate Office of Research
Assembly Majority/Minority Consultants
Senate Majority/Minority Consultants
Capitol Press Corps